

The Washington Post

[Back to previous page](#)

Obama's budget guts the government

By [Robert J. Samuelson](#), Tuesday,
February 14, 12:08 PM

The unveiling of President Obama's [federal budget for 2013](#) involves two big stories. The first concerns deficits and debt, which have gotten plenty of attention. Although Obama characterizes his budget as restrained and responsible, the federal debt will grow 68 percent over the next decade to \$19.5 trillion in 2022. But the second story has gotten only modest attention. It is how spending on the elderly is slowly and inexorably crowding out the rest of government — and creating enormous pressures for future, steep tax increases.

We are redefining the nature of government without consciously thinking about it or debating it. Spending on almost everything else government does — defense, education, national parks, highway construction and much more — is either being squeezed or, almost certainly, soon will be. To grasp what's happening, you have to dive deep into the budget's tables.

Start with [table S-6](#). As a share of national income (gross domestic product), Obama expects to reduce [defense](#) and [domestic discretionary spending](#) by an astonishing 43 percent by 2022. It would fall from 8.7 percent of GDP in 2011 to 5 percent in 2022. Everyone understands defense. Domestic discretionary spending includes many of those other governmental activities outside of Social Security, Medicare and Medicaid, the main programs that aid the elderly.

If you don't believe table S-6, try table S-7. It calculates spending after adjusting for expected inflation and population changes. The result shows the "real" size of various government programs. Here are the next decade's projected trends: Spending on Social Security rises 27 percent; for Medicare and Medicaid, the increase is 41 percent. Meanwhile, defense spending falls 23 percent and domestic discretionary spending drops almost 20 percent.

Social Security, Medicare and Medicaid — boosted by the aging baby boom and high health costs — are relentlessly determining national priorities. Neither Republicans nor Democrats want to discuss this openly. At a press briefing, top administration officials — led by Gene Sperling, head of the National Economic Council, and Jeffrey Zients, acting head of the Office of Management and Budget — barely mentioned these programs. That's some feat, considering they constitute 44 percent of non-interest spending and are projected to account for 57

percent by 2022.

The paradox is obvious, if unspoken: An avowedly liberal administration is gutting government because it lacks the political will to confront programs for the elderly.

Thumbing through the [budget](#) documents, you quickly stumble on evidence of the squeeze. True, it's most obvious in defense, where the administration has already announced \$487 billion of cuts over the next decade. This includes planned reductions in the Army (from 570,000 to 490,000) and Marines (from 202,000 to 182,000). But there's more. On page 81 of the budget, the administration announces that it is eliminating "130 transport aircraft and seven cruisers, over the next five years." On page 138 of "Historical Tables" of the budget, you learn that defense spending as a share of GDP is projected to drop to 2.7 percent in 2017, the lowest level since 1940 when it was 1.7 percent.

Defense is not alone. As is well known, the [National Aeronautics and Space Administration](#) (NASA) is being trimmed. Its 2013 budget is 4 percent less than in 2011; reductions in some individual programs are much steeper. The Centers for Disease Control and Prevention are being cut 11 percent. Rental assistance is down 6 percent. The Coast Guard is cut 3.5 percent. These declines, though modest, are just the start. Cuts need to become deeper if the administration is to hit its targets for the next decade.

The fact that sizable budget deficits remain despite the spending squeeze suggests that large tax increases, going well beyond the ultra-rich, will one day be required.

Granted, none of the political choices (limits on Social Security and Medicare benefits, deep discretionary spending cuts, much higher taxes or large deficits) is appealing to either party. But instead of a real debate on the size and role of government — which programs are important, which are ineffective, who deserves benefits, what's a tolerable level of taxation — we are making choices by omission in a way that exempts the elderly.

All budgetary pressures are being concentrated on (a) the dwindling portion of spending not devoted to the elderly and (b) higher taxes. This is a formula for governmental failure and generational unfairness. It's a big story. Someone should pay it heed.

© The Washington Post Company